

TESTIMONY OF JAMES R. KUNDER
ASSISTANT ADMINISTRATOR FOR
ASIA AND THE NEAR EAST
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
BEFORE THE
COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS, AND
INTERNATIONAL RELATIONS
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Mr. Chairman, members of the Committee, it is an honor to appear before you today. I welcome the opportunity to testify on behalf of the U.S. Agency for International Development (USAID). I would like to describe to the committee USAID's perspective on the use of private security providers, specifically in a high-threat environment like Iraq and Afghanistan.

USAID assists Iraqis in the reconstruction of their country by working with the Government of Iraq (GOI). USAID programs are implemented in coordination with the United Nations, World Bank, International Monetary Fund (IMF), Coalition partners, nongovernmental organizations (NGOs), and private sector partners. The USAID Mission in Iraq has worked on a wide variety of programs in such varying development fields as education, health care, food security, infrastructure reconstruction, airport and seaport management, economic growth, community development, and local governance.

As we work to rebuild power plants, schools, health clinics, water treatment plants, national capacity, and community stabilization, a complex insurgency is making delivery of aid difficult, costly, and dangerous. The security situation present in Iraq has created a high-threat operating atmosphere. USAID recognizes this threat and treats it with the attention that it demands. Many courageous, skilled staff, NGO partners, and contractors are working with equally brave and capable Iraqis in rebuilding the country.

USAID operates on the ground. Especially in post-conflict environments, it is imperative that our employees conduct numerous site visits, interviews, and maintain a general atmosphere conducive to collaboration at the field level. This active, hands-on engagement is an essential aspect of USAID's management and contractual oversight and is critical to ensuring successful project implementation.

In Iraq, this approach is exemplified by our Community Action Program (CAP), implemented through four partners. CAP works directly with communities and in consultation with local government representatives; the program facilitates the creation of Community Associations that identify and prioritize critical local needs and work to develop projects in response. CAP provides water systems, roads, schools, clinics, and other priorities depending on needs determined by the community. Project procurement

occurs locally, providing millions of dollars for local economies in all 18 governorates. Projects create short- and long-term jobs and mitigate conflict by empowering people across gender, ethnic, tribal, and religious lines. It would be impossible to operate without on-the-ground presence because so much of the program is based on interaction and coordination.

In other high-threat environments in which we operate, USAID uses a similar hands-on approach to development. In Afghanistan, the Alternative Livelihoods Program (ALP) epitomizes our effort to create large-scale changes through small-scale actions. In December 2004, USAID launched ALP to provide economic alternatives to the growth of opium poppies in Afghanistan. The program is a key element in the U.S. Government's counter-narcotics strategy, and is designed to accelerate economic growth in Afghanistan's principal poppy-producing provinces. The program principally targets core poppy-producing areas in the southern (Helmand and Kandahar Provinces), eastern (Nangarhar and Laghman Provinces) and northern (Badakshan and Takhar Provinces) regions, but includes activities in other provinces where poppy cultivation is expanding or where there has been a concerted effort to eliminate narcotics production.

The ALP is a decentralized activity that relies on cooperation with government entities across the country and in many remote areas. Therefore, a key crosscutting objective of ALP is to build the capacity of local governments to plan regional economic development and facilitate the growth of local businesses. Like Iraq's CAP, the success of the ALP depends on constant communication and coordination between USAID personnel and the local citizens.

In Iraq, the reconstruction effort draws on a range of personnel and staffing resources. In addition to U.S. government American staff, the development community includes Foreign Service Nationals (FSNs, Iraqi citizens hired abroad to perform support tasks), Third Country Nationals (citizens of non-host nations working for USAID in Iraq), and a range of implementing partners, like contractors and NGOs. All of these different types of personnel bring different skill and knowledge bases to the combined effort. Some may be fluent in Arabic and or are accustomed to the Iraqi way of life, while others may be the leading scholars in national capacity building, and still others might be world-class engineers, helping to rebuild bridges.

Different security conditions and requirements apply to each of these groups. U.S. government and implementing partner foreign staff—personnel who offer higher-profile targets and generally stand out in the field—require a commensurate level of personal, convoy, and site-based force protection. In these circumstances, USAID attempts to increase the visibility of the Iraqis working on our projects. This serves a two-fold goal of decreasing security risks and standing up Iraqi institutions and communities by empowering the people through increased economic and political opportunities.

Despite progress towards a self-sufficient Iraq with a politically and economically viable society, USAID still has much work to do. We recognize that with this work come many risks. Our efforts pay attention to providing the best security for all of our various types

of employees and partners. We recognize, however, that there are high costs associated with security, and we value the support of the Congress and the American people in helping us keep our people safe. Thus far, USAID has lost no American direct-hire employees, but unfortunately, the insurgents have taken the lives of over 80 of our dedicated hard-working partner staff.

Because we operate across Iraq, there are certain locations that are more secure than others. We use many types of security measures to ensure the safety of our employees. In general, the expatriate staff of USAID implementers draw attention from would-be attackers—a threat to the safety of our personnel, our Iraqi colleagues, and the physical security of the site. For this reason, many of our partners prefer to maintain a low profile, using their own security services. Even if military protection were available, partners often determine that it is best to avoid using U.S. military assets as the large number of soldiers and equipment clearly identify the project and personnel as working for the U.S.-led effort.

In especially high threat areas, USAID uses military patrols as our eyes on the ground or in the sky. The military is able to report the status on projects that at present might be too dangerous for our personnel to visit. The military provides many other roles vital to USAID's success. We are grateful for the opportunities we have to work with the men and women of the U.S. military and Coalition forces.

In Iraq, as in all countries in which we operate, the U.S. Ambassador has overall responsibility for the security and well being of all civilian USG executive branch employees. USAID coordinates closely with the Department of State's Bureau for Diplomatic Security (DS). Our implementing partners are responsible for providing their own security according to the terms of their contracts or agreements. Through private security providers, contracted through sub-awards under USAID contracts and grants, our partners retain Private Security Detail (PSD) staff for personal and convoy protection.

It is important to note that security for the USAID Mission and regional office staffs in Iraq is provided for and controlled by the Department of State's Bureau for Diplomatic Security. USAID participates in an inter-agency agreement under which the Department of State contracts security services from private security providers to protect our employees. Currently, DS handles all aspects of the private security teams that support USAID transportation outside of the International Zone (IZ) including overseeing the contracting, management, and training requirements for these security contractors. All of USAID's trips outside of the IZ are coordinated through the U.S. Embassy in Baghdad, Regional Embassy Offices, and MNF-I as appropriate.

USAID has implemented a variety of initiatives to address these security concerns and those of our implementing partners. USAID is in the final stages of developing Agency guidance with respect to the security challenges of its implementing partners. Initially, based on USAID's experience in Afghanistan, the Operational Security Guidance provides general guidelines, not mandatory requirements, for all of USAID's implementing partners. It addresses fundamental security issues including operating in a

developing country environment, situational awareness, information sharing, field travel, communications, site security, and emergency/evacuation plans.

USAID is working as part of an interagency team to develop an updated Contractor Security Policy for Iraq that is designed to register and track security contractors, set forth requirements regarding possession and use of weapons by contractors, coordinate mutual protective efforts among agencies and contractors, and identify USG support to be afforded to contractors. USAID is awaiting a decision by our interagency colleagues before moving ahead with implementation of the policy.

Security Costs

One of the challenges USAID faced with tracking security costs pertained to the difficulty of identifying a standard definition. USAID based its definition on an informal survey of what our partners include as “security costs” and audit reports, as well as through internal USAID discussions on what should or should not be included.

USAID now has developed a standard definition of security costs that will be applied to all new contracts and agreements. This will result in a more consistent and accurate reporting of security costs. Current indications show an increase of security costs in Iraq to roughly 25 percent of the cost per year for a given program. We will ask our current implementing partners to provide updated security cost estimates as of the end of the fiscal year.

Conclusion

In conclusion, I want to assure you that USAID takes security seriously, and attempts to ensure that U.S. tax dollars spent on security are used wisely and cost-effectively. Mr. Chairman, thank you for offering me this opportunity to discuss USAID’s view on security with your Committee. I am prepared to answer any questions that the committee has. Thank you.